



August 10, 2010

Sam Schuchat
Executive Director
California State Coastal Conservancy
1330 Broadway, 13th Floor
Oakland, CA 94612-2530

Dear Mr. Schuchat:

As we have discussed with your staff, this letter is to request the waiver of repayment of the \$2 million grant (contract number 05-123) from the State Coastal Conservancy (SCC) that was used to acquire the Wildlake Ranch property, a 3,030 acre conservation property in Napa County.

As early as 2003, the Land Trust of Napa County (LTNC) met with representatives of the California Department of Parks and Recreation (DPR), SCC and the California Wildlife Conservation Board (WCB) regarding the potential acquisition and preservation of the Wildlake Ranch and Duff properties. With the encouragement of the agencies, LTNC undertook an extensive fund-raising campaign and eventually acquired the Wildlake Ranch for the purchase price of \$18.75 million and the adjacent Duff Ranch for \$3.6 million. The expectation of all parties was that the properties would eventually be sold to DPR and that a significant portion of the proceeds would be deposited in an endowment fund for DPR's use in management and operation of the property as part of the adjacent Robert Louis Stevenson State Park. In this economic climate, DPR does not have the money to purchase the property and the LTNC now owns and must take care of both the Wildlake and Duff Ranches.

The funds for the Wildlake Ranch acquisition came from many donors including a \$5 million loan from the Packard Foundation, a \$5 million grant from the Gordon & Betty Moore Foundation, and a \$2 million grant from the SCC. LTNC still owes approximately \$1.5 million + interest to the Packard Foundation on the Wildlake Ranch Property.

During the past year the LTNC has been in negotiations with the WCB and SCC for their purchase of a conservation easement over both ranches. The current market value of both properties, without a conservation easement, is \$23,500,000. Market value after the conservation easement is \$2,400,000. The LTNC was asked to submit the cost to improve, equip, operate and endow the ongoing stewardship of the entire 4,000 acre Wildlake and Duff Ranches to provide public trail access, nature interpretation

and outdoor activities, and to restore and manage the property as high quality wildlife habitat. The estimated cost of the project was \$12,404,135.

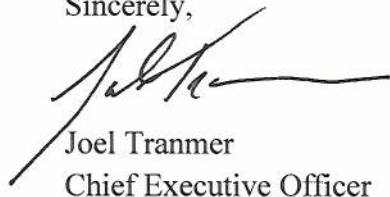
With its other high priority projects, SCC determined that it would be unable to contribute toward a purchase of the conservation easement, but WCB offered \$6 million for the easement on only the 3,030 acre Wildlake Ranch and the LTNC Board of Directors elected to accept the offer only if the SCC will waive repayment of their \$2 million grant. If LTNC was forced to repay the \$2 million to the SCC plus the \$1.5 million to the Packard Foundation it would leave very little money to take care of the preserve.

In order to assure full compliance with the terms of the prior SCC grant terms, your staff, particularly Melanie Denniger and Jack Judkins, worked closely and tirelessly with LTNC staff on detailed language for inclusion in the conservation easement. We are pleased to say that we and your staff have reached complete agreement on the terms and believe the easement will greatly increase the protections of the property well beyond the protections that are afforded by the SCC grant itself.

Thus, LTNC is now requesting that the SCC waive repayment of the \$2 million grant associated with the sale of the conservation easement on the Wildlake Ranch Property.

Thank you for considering our request. Please feel free to contact me directly with any additional requests or comments.

Sincerely,



Joel Tranmer
Chief Executive Officer

cc: Melanie Denninger, SCC (via email)
Jack Judkins, SCC (via email)
John Donnelly, Executive Director, WCB (via email)
Debra Townsend, Senior Land Agent, WCB (via email)
John Hoffnagle, Executive Director, LTNC (via email)
Karin Troedsson, Staff Attorney, LTNC (via email)
Jim Sarro (via email)

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OAKLAND, CALIF.**